

Remarks at a Meeting of the President's Export Council

September 19, 2013

The President. Everybody, please have a seat. Have a seat. Well, it is good to see all of you. I know that we've got a——

[At this point, Export Council Chairman W. James McNerney, Jr., reached over and turned on the President's microphone].

The President. ——whoops, All right.

Mr. McNerney. There you go.

The President. I know that we've got a few new members, in fact, some folks that were just appointed and immediately got to work. And so we're thrilled to see all of you. And then there are the grizzled veterans of the Export Council—*[laughter]*—although you don't look grizzled. You guys look great.

Obviously, I want to thank Jim and Ursula at the outset for their outstanding leadership in this entire process. This week marks the fifth anniversary of the collapse of Lehman Brothers and an incredible financial crisis that devastated not just the financial sector, but the entire economy, and people lost jobs and homes and savings.

And for the last 5 years, we have worked our way back because of the incredible grit and resilience of the American people, because the outstanding dynamism of our business sectors, because of, I think, some timely work on the part of this administration and other agencies to make sure that we were responsive to the immediate needs of the American people, but also looking at how we can start initiating some structural changes that are going to make a difference over the long term and rebuild our economy.

We're not where we need to be yet. But with 7½ million new jobs created in the private sector, with the housing market beginning to recover, with our energy transformation continuing in a way that, I think, many people would not have anticipated 20 years ago, where we're now at a point where domestic production is actually starting to exceed imports—across all these fronts, there are some very positive pieces of news. But I tell you, one of the biggest bright spots in our economy has been exports: the fact that "Made in America" means something and has provided a boost to our domestic economy and has reminded the world just how competitive we are.

This has been a top priority from the start. Part of the reason we set up this Export Council was to make sure that we were in a position to meet our goal of doubling exports during the course of a fairly short period of time. And we now sell more goods overseas than ever before.

Jason, correct me if I'm wrong, but I think our current account deficit and trade deficits have narrowed as significantly as we've seen in a very long time. Now, part of that is because we're importing less foreign oil and increasing domestic production, but a lot of it is because we're selling a lot of great products all around the world. And this Council has done a great job in helping to guide our policies.

We've got large businesses; we've got small businesses; we've got medium-sized businesses. We've got services as well as manufacturers. And your input has been enormously important in this entire process.

Part of what we've seen is a continued transformation in American business to become more competitive and more productive. And I would be remiss to say, since it's in the news quite a bit—to note that one of the reasons our businesses are more competitive is because health care costs have actually stabilized relative to what we had been seeing in previous years. Just an interesting statistic here for folks who may be interested. *[Laughter]*

Thanks in part to the Affordable Care Act, also known as Obamacare—*[laughter]*—the cost of health care is now growing at the slowest rate in 50 years. Employer-based health care costs are growing at about one-third of the rate of a decade ago. And just yesterday CMS estimated that health care spending grew at its second slowest rate ever in 2012, will grow at its third slowest rate ever in 2013, grew at its slowest rate in 2011. So the 3 years since Obamacare passed, we've seen the slowest growth in health care costs on record.

Now, I think this is critically important to recognize because one of the huge competitive disadvantages that our businesses have had is that we—American businesses—oftentimes are shouldering health care costs that their competitors are not, because they've had a more efficient, more effective system. And so for us—and when we passed the Affordable Care Act, by the way, there were all kinds of arguments about how all the cost savings weren't very meaningful and weren't going to do a lot and we weren't really bending the cost curve. And well, it turns out actually a lot of what we've done is starting to bear real fruit, and it has an impact on the bottom lines of American businesses as well as the American people.

So if the current trends hold—and all estimates are that, in fact, they will—this is not just a byproduct of or hangover from the recession—we're going to see a continuing slowing of increases in health care costs. That's going to boost our exports.

Now, we can still do more when it comes to exports, and thanks in part to new trade deals that I've signed as well as obviously really great products and services that you've all designed, America now exports more to the rest of the world than ever before. We're on track to export even more this year. Last year, \$1 billion in exports supported nearly 50,000 jobs—or 5,000 jobs in the United States. So for every billion dollars that we sell, that's 5,000 new jobs right here in the United States.

And so we're really focused on how do we keep that momentum going. Our new Trade Rep, our new Ambassador, Michael Froman, who many of you have had a chance to work with when he was in the White House, is in the process of trying to complete negotiations around a Trans-Pacific Partnership. You're talking about the largest, most dynamic, fastest growing market in the world.

And because of some incredibly hard work by Michael and the previous Trade Representative, Ron Kirk, we are very far along in trying to get that deal done: raising standards; opening up markets that previously have been closed; getting the kinds of protections, like IPR protections, that are so important to American businesses since we typically are the best innovators; making sure that services are allowed to compete in many of these markets, because we do services better than anybody else and those are markets that oftentimes are the most parochial, most encumbered by regulation and have most frequently been closed.

So we're going to be pushing ahead not only on the Trans-Pacific Partnership, but we also have now our transatlantic effort, where we can see if we can enhance what is already robust trade with Europe. It amounts to the largest trading relationship in the world by far, and we think we can do even better. And so we're going to be moving on that front as well.

We're going to need trade promotion authority through Congress. And this is an area where, so far at least, Mitch McConnell says he's for it, and that's good. And so we may be able to get some good bipartisan support to get that done.

But let me just make a couple of closing comments about how important this Export Council has been. One thing that I think a lot of people aren't aware of, at least until they get involved in policymaking around exports, is tourism is an export. When foreign visitors come here and spend money, that is tallied as a U.S. export. And thanks to people like Bob Iger at Walt Disney and others, we have made enormous progress over the last several years in boosting tourism in the United States, making it easier for foreign visitors to get visas, making it easier for them to come here and enjoy the incredible attractions that we have here in the United States. That's making a big difference. A lot of the ideas about how we could do that were generated from, initially, these efforts.

So I use that as an example just to say that this is not a—just a bunch of show horses here, these are some work horses. And I believe it's fair to say—and I think Jim and Ursula will confirm—that if any of you have good ideas about how we can further promote exports, put them on the table. You will find an administration that is ready and willing to put their shoulder behind the wheel to actually get it done.

And I know that our new Secretary of Commerce, Penny Pritzker, who is coming directly from the business world, understands how important it is for us to be able to execute and not just generate a bunch of white papers that get filed off in some dusty file somewhere. We want to make sure that we're moving on all fronts very aggressively.

So with that, I just want to say how much I appreciate all your participation. I want to say a—make a special note to some of the small businesses that have been represented here, because what we've seen is that when small and medium-sized businesses can cut through the redtape and understand how to export, actually they can compete pretty well. And that's an area where we can make some significant progress.

Obviously, big companies like Xerox or Boeing, we want to keep on growing them because small businesses are up and down the supply chain and are—when we sell a bunch of airplanes, a lot of small businesses and medium-sized businesses are benefiting from that as well.

But I am very enthusiastic about this. I think Jim, at least, will confirm that I'm happy to go out and make sales. I'm expecting a gold watch—[laughter]—from Boeing at the end of my Presidency because I know that I'm on the list of top salesmen at Boeing. And that applies to all of you.

And I also notice that we've got some wonderful elected officials here, folks like Governor Fallin. Part of what we want to do is also coordinate State and Federal and local efforts, because right now our competitors—the Germans, a lot of the European countries—they have a very tight, very aggressive, very well-coordinated effort to make sales around the world. Sometimes, because we're so big and, frankly, we've been such a dominant economy for a long time, that our sales pitches and efforts have been a little more scattered and a little more diffuse.

So one of the functions that this Export Council can serve is as a clearinghouse and a coordinating mechanism to make sure that if Oklahoma is trying to pitch something or help one of their businesses that they are in touch with Federal counterparts and they can do a much more effective job. All right?

So what I think we're going to do now is we're going to clear out the press. I'm going to have a chance to come around and say hello to everybody and say thank you. And then the conversation will continue. All right?

NOTE: The President spoke at 11:14 a.m. in Room 350 of the Dwight D. Eisenhower Executive Office Building. In his remarks, he referred to Ursula M. Burns, Vice Chair, President's Export Council; Chairman of the Council of Economic Advisers Jason L. Furman; Robert A. Iger, chairman and chief executive officer, Walt Disney Co.; and Gov. Mary Fallin of Oklahoma. He also referred to the Centers for Medicare and Medicaid Services (CMS); and Intellectual Property Rights (IPR).

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Names: Burns, Ursula M.; Fallin, Mary; Froman, Michael B.; Furman, Jason L.; Iger, Robert A.; Kirk, Ronald; McConnell, A. Mitchell; McNerney, W. James, Jr.; Pritzker, Penny S.

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